

lost, jobs that have evaporated, retirement accounts that disappeared for people. They want to see us work together to get a job done to make a difference for our country and I firmly believe we can do that. I will do my very best, I say to my friend from Alabama, I say to the minority leader, as I said to the majority leader, to act with fairness, to work together to try to resolve matters so we can have a good outcome on this bill.

Obviously we cannot predict that. I know there are some who want to make this a great fight—that this is a great, great issue, maybe, for the day or the week you do it—who wins, who loses. That is a great story. But this is not an athletic contest we are involved in. It is a decision to try to put our country on a far more sound and secure footing than it is today. I look forward to the opportunity to work, as I have, with Senator SHELBY. We are good friends. I admire him immensely. He was chairman of this committee before I was. He understands the job of being a chairman.

I am determined to get this job right. I encourage our colleagues who have ideas and amendments to come forward and share them with us. We are going to set up shop over the weekend to make sure we are there. So we have ideas to consider, accept, maybe modify, make it work right. If that spirit comes forward we can do a good job here and we can leave this Chamber at the end of this Congress, knowing we confronted a serious problem and stepped up to the best of our ability to try to solve it for the people we seek to represent.

Again, I thank the majority leader and the staff and others for their work. I thank Senator SHELBY in his work. This conversation will continue. We have a lot of work to do. It has been very worthwhile and very productive over these last number of weeks and we intend to keep it in that form. I thank the minority leader as well and the Republican Conference. I know it must have been probably a healthy, good, vibrant conversation for the last hour and a half in there. But for those who question whether we can do this, I want this institution to get back again to the idea of listening to each other, debating the issues, taking our votes and putting together the best product we can.

I yield the floor.

RESTORING AMERICAN FINANCIAL STABILITY ACT OF 2010

The PRESIDING OFFICER. Under the previous order, the motion to proceed to S. 3217 is agreed to.

The clerk will report the bill.

The bill clerk read as follows:

A bill (S. 3217) to promote the financial stability of the United States by improving accountability and transparency in the financial system, to end "too big to fail," to protect the American taxpayer by ending bailouts, to protect consumers from abusive

financial services practices, and for other purposes.

MORNING BUSINESS

The PRESIDING OFFICER. The Senate will proceed to a period of morning business, with Senators permitted to speak for up to 10 minutes.

The Senator from Washington.

WALL STREET REFORM

Mrs. MURRAY. Mr. President, I thank the Senators from Connecticut and Alabama for all their hard work on this issue. I am delighted that after three votes and 3 full days of pressuring those on the other side of the aisle to allow us to at least begin debating this critical bill, it appears they have relented. Finally, it appears they are willing to listen to not only what Democrats have been saying about the importance of a strong new reform bill for Wall Street but what the American people have been saying.

What we have been saying is it is time to hold Wall Street accountable. It is time to pass strong reforms that cannot be ignored or sidestepped. It is time to end bailouts and give Wall Street the responsibility of cleaning up their own mess. It is time credit card statements are in plain English, in loan terms that are spelled out. It is time for Wall Street to come out of the shadows and into the light of day. It is time for negotiations to come out of the back room and on to the Senate floor. It is time to put an end to obstruction and begin working for American families.

I am glad we are finally now on this bill. For most American families, this debate is not complex; it is simple. It is not about derivatives or credit default swaps. It is about fundamental fairness. It is a debate about when they walk into a bank to sign a mortgage or apply for a credit card or start a retirement plan, are the rules on their side? Are they with the big banks or Wall Street?

For far too long, the financial rules of the road have not favored the American people. Instead, they favored big banks and credit card companies and Wall Street. For too long they have abused those rules. Whether it was gambling with the money in our pension funds or making bets they could never cover or peddling mortgages to people they knew could never pay them, Wall Street made expensive choices that came at the expense of working families. That is exactly the reason we have all fought so hard to move forward now with a strong bill.

It is why we have refused to back down or sit by while it was watered down, and it is why we were ready to stay up all night or vote to move forward with this bill all week long. It is why we have insisted on a bill that includes the strongest protection for consumers ever enacted, an end to taxpayer bailouts, and tools to give indi-

viduals the resources they need to make smart financial decisions because each of us knows what the "anything goes" rules on Wall Street have meant for our States and our constituents.

Each one of us has talked to people who have been hurt through no fault of their own. We have all seen the tremendous cost of Wall Street's excesses. In my home State of Washington, it has cost us over 150,000 jobs. It has cost small businesses access to credit they need to grow and hire. It has cost workers their retirement accounts they were counting on to carry them through their golden years. It has cost students their college savings that would help launch their careers. It has cost homeowners the value of their most important asset, as neighborhoods have been decimated by foreclosures. It has cost our schoolteachers, our police officers, and our communities.

It has cost young people such as David Corrado of Seattle, whose mother, since he was very young, would take \$400 out of her paycheck and put it toward David's education fund. It was a long-term, smart investment she knew would pay off for David's future. When the financial crisis occurred, he lost one-third of his college fund, \$10,000.

It has also cost older people such as Edward Diaz, who is also from Washington State. He was not only laid off from his job of 21 years due to the recession, he also lost \$100,000 from his 401(k) account. On the verge of retirement, Edward tells me he now scours the classifieds every day searching for any way to get back to work.

In the days ahead, as we debate this bill, those are the people we have to remember constantly. We have to keep them in mind as we work to protect against this happening ever again; the people who, through no fault of their own, paid the price for the risks and irresponsible behavior of Wall Street. There are people in my State and across the country who scrimped and saved and made right decisions and were left holding the bag.

Now is not the time for half measures. The American people are looking to us now for real reform and to put progress before politics. We have to put people before Wall Street.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant director of the Daily Digest proceeded to call the roll.

Mrs. BOXER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. BOXER. Mr. President, what is the order?

The PRESIDING OFFICER. The Senate is in morning business, and Senators are able to speak for up to 10 minutes each.

Mrs. BOXER. Mr. President, I ask unanimous consent that I be allowed to

speak for as much time as I may consume.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. BOXER. Mr. President, thank you very much.

FINANCIAL REGULATORY REFORM

Mrs. BOXER. Mr. President, this is good news we just received that our Republican colleagues have decided to allow us to proceed to the debate on the Wall Street reform bill. I was, frankly, confused as to why they were objecting. But in any event, without going through that, I am very pleased they have backed down in terms of their objection because we want to get to this bill.

Many of us have ways we feel it can be made stronger. I bet there will be some amendments to make it weaker. And that is what the process is all about. The most important thing for the American people to know tonight is that an issue of critical importance is moving forward in the Senate.

I think it is important for us to remember the real reasons as to why we are taking up this bill. Even though it is painful to review the dark times of 2008, when our economy and the world economy were really on the brink, I believe it is important for us to do that review.

I asked my staff to put together some of the headlines from those days. We are going to go through a couple of charts and I will read a few of them, because we need to remember what it was like in those dark moments in our history.

Here is a picture of a Wall Street trader and he is under a headline that says "Black Monday." It was at a moment when the first bailout happened. It says, "Bailout Fails, Stock Drop Most In History." Then we look at this one: "Where Do We Go From Here?" "NASDAQ: The Biggest Fall Since Dot.com Crash." "Dow Down 778." "Time" magazine, "Wall Street's Latest Downfall: Madoff Charged With Fraud." "Feds' Rescue Plan: The Bailout To End All Bailouts." "Jobs, Wages, Nowhere Near Rock Bottom Yet." "Credit Crunch Continues As Lending Rates Climb." "U.S. Consumer Sentiment Decreases To A 28-Year Low." "U.S. Loses 533,000 Jobs In The Biggest Drop Since 1974."

That is one chart, and I have one other, just to remind us where we were. San Jose Mercury News: "Foreclosure Wave: San Jose Fights To Protect Neighborhoods." "Carnage Continues: 524,000 Jobs Lost." "Wall Street Employees Set To Get \$145 billion." That is in bonuses during all of this. "Economy In Crisis." "Foreclosure," "Lehman Files For Bankruptcy," "Merrill Sold," "AIG Seeks Cash." We know all about that. "What now?" "The Dow Falls 777." "Economy On The Brink." "U.S. Pension Insurer Lost Billions In The Market." "Housing Prices Take Biggest Dive Since 1991." "U.S. Drafts

Sweeping Plan To Fight Crisis As Turmoil Worsens In Credit Markets." And here is one: "Full Of Doubts, U.S. Shoppers Cut Spending."

I read these headlines to my colleagues to bring back those dark, dark, dark days and why we are here today trying to make sure it never happens again. If we don't learn from history, we are doomed to repeat it, and we have learned and we are ready to make sure this never happens again.

Those dark times came because we allowed Wall Street to engage in unregulated and unsupervised gambling. I have to say I am an economics major. That goes back quite a bit of time. Many years ago, before any of these kinds of exotic instruments were created, I worked on Wall Street as a stockbroker. I can tell my colleagues that every time the President of the United States would sneeze and the market went down a few points, I worried. I can just imagine how I would have felt if I would have had clients in this kind of situation where there was no control.

A shadow banking system grew up that fueled an unsustainable housing bubble. From 2001 to 2007, the issuance of toxic private mortgage-backed securities increased by over 400 percent. These securities were rated by credit rating agencies—the credit rating agencies that were supposed to be tellers of the truth. They are supposed to say to the consumer, uh-oh—I sound like my grandchild who says uh-oh—that is what they are supposed to say: Don't buy those securities because they are not good. But these credit agencies, rating agencies such as Moody's and Standard & Poor's, frankly, acted as though they were in the pockets of the issuers who paid them. In other words, they gave a good answer. If you wanted to issue securities—I don't care whether it is Goldman or anybody else—you go to these fellows, you pay them, and they tell you something good. What went wrong? That is a disaster. Where is the fiduciary responsibility in any of these relationships?

The unregulated over-the-counter derivatives market also grew by over 400 percent to a value greater than the entire U.S. economy. The unregulated over-the-counter derivatives market grew by over 400 percent to a value greater than the entire United States economy. Wall Street institutions critical to our economy purposely created complex paper instruments that had no real value. In these hearings Senator LEVIN is holding, we see what happened when one company—Goldman—knew—and I can't use the words they used because it would be improper on the floor—they knew a product they were selling was just plain junk and they sold it to their customers, to their clients. One of the people said in an e-mail: Wow, think of all the orphans and the widows we are hurting. That sounds to me like the Enron scandal where we had traders doing the same

thing when energy prices went through the roof.

In 2007 and in the first part of 2008, the house of cards began to collapse, because backing up these new complex instruments Wall Street created were these exotic loans that consumers could never repay unless housing prices continued to soar to unrealistic levels. So they created these instruments that were backed by these mortgages that were doomed to fail unless the economy continued to shoot like a star straight up and the housing market went up. The housing bubble began to deflate, and think about all of these derivatives and all of these exotic securities that were based on housing. Mortgage lenders and financial institutions began to fail; first Countrywide, then Bear Stearns. The Federal Reserve had to intervene behind the scenes to try and keep credit flowing. Remember, in a capitalist society, in our economy, we have to have credit flowing. Credit, that is what the small businesses need. That is what governments need, overnight credit. The State of California couldn't even get overnight credit. The worst crisis hit in September 2008—the worst since the 1929 Great Depression.

Listen to this: Over just 3 days, September 13, 14, and 15, three major financial institutions failed—Lehman, AIG, and Merrill Lynch. Oh, my God, the shock in the country. Regulators were unprepared. They had no warning. Panic spread from this Wall Street debacle as banks lost confidence in the solvency of the financial system and they refused to lend. Credit was frozen. Consumers started to withdraw their money from failing money market funds, and some of them found out that they weren't insured, the money markets. We had to actually create insurance.

The stock market dropped 25 percent in September alone, part of a larger 50-percent drop from 2008 to 2009. Trillions of dollars in pensions and savings wealth were lost. Without the tools to handle the crisis, the Bush administration was forced to approach us for direct taxpayer assistance. I will never forget the day when the Republican Treasury Secretary Hank Paulson looked me in the eye, along with all of my colleagues, and said capitalism was on the brink of collapse. I will tell my colleagues, I asked him a number of questions that day about the role that credit default swaps played in this, and derivatives, and to be totally candid, he didn't have an answer. He was so concerned about staving off this collapse.

It was too late. It was too late to stop Wall Street's crisis from impacting the rest of our economy. Business lending plummeted. I know the Presiding Officer knows that small businesses have created 64 percent of all of the new jobs in the last 15 years. When those good, strong businesses couldn't get credit, some of them couldn't keep the doors open. I can tell my colleagues that none of them expanded. They